State Renewable Energy News

A Compilation of Renewable Energy Activities in the States

Prepared by the NARUC Subcommittee on Renewable Energy

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State Activities

Colorado

PUC Opens Docket to Investigate Renewables In late July, the PUC adopted an Order establishing an informal docket to investigate the opportunities for expanding utility participation in renewable energy activities. In addition to issues identified in an earlier notice (SREN, Summer 1992), such as regulatory barriers, value analysis, and utility incentives, the proceeding will examine issues relating to "set asides" for renewables in resource planning.

The PUC has solicited participation from interested parties and organizations to stimulate discussion on those renewable energy issues under PUC auspices. The first formal meeting on the docket has been scheduled for January 21, 1993. The PUC intends to utilize the forthcoming NARUC "white paper" on renewable energy (SREN, Summer 1992) as a guideline for the investigation.

PSC Contact:
Morey Wolfson, (303) 894-2000 (x306)

New York

PSC Initiates Proceedings to Examine Renewables

In October, the PSC issued an Order instituting proceedings to examine issues relating to the implementation of a market test/demonstration program by utilities to procure 300 MW of electric capacity from a diverse range of renewable resource technologies. (SREN, Winter 1992)

The general issues the parties will be asked to address include:

- renewable resource program goals;
- the definition of renewable resources;
- current regulatory incentives and/or obstacles posed for cost-effective use of renewable resources;
- determination of a basis for ensuring diversity in the renewable resource set-aside;
- the role of utilities in the program implementation;
- whether a maximum price premium should be established for renewables; and
- the potential role of an optional electricity service to spur increased use of renewables (often referred to as "green pricing").

An initial pre-hearing conference to plan the proceeding will be held in December.

PSC Contact:
Sam Swanson, (518) 474-1677

Vermont

PSB Drafts Rule Encouraging Renewable Electric Generation

The PSB is drafting a regulation which will establish a class of "preferred" qualifying facilities (QFs) based on environmental considerations.

Under the draft rule, QFs are power plants with a capacity of 80 MW or less that are fueled "solely by ... biomass, landfill gas, renewable resources, or any combination thereof" or high-efficiency cogeneration facilities. Excluded from this status are fossil-fueled generators that reuse only a small portion of their waste heat (so-called "PURPA machines") and hazardous waste or municipal trash incinerators.

Preferred QFs would be eligible for additional benefits beyond those established by PURPA, such as long-term, levelized price contracts and wheeling rights. The draft rule is subject to modification during the formal adoption process.

PSB Contact:
Rick Weston, (802) 828-2358

Other Activities

Federal Energy Legislation to Impact Renewable Energy Development

The recently enacted Energy Policy Act of 1992 contains several financial provisions that may provide a boost to renewable energy development. Among the provisions are:

- A permanent extension of the 10% business investment tax credit for solar and geothermal facilities;
- A 1.5 ¢/kWh production tax credit, lasting ten years, for wind and closed-loop biomass facilities installed before July 1999, with the latter defined as facilities that use only dedicated energy crops as a feedstock;
- A 1.5 ¢/kWh production incentive for solar, wind, biomass (excluding waste-to-energy), and geothermal (excluding dry steam) available to rural electric cooperatives and other publicly-owned utilities.

The availability of the public utility incentive is dependent on future Congressional appropriations.

Contact:
Kevin Porter, NREL (202) 484-1090

Status of Renewable Energy Documented

Responses to a NARUC questionnaire on renewable energy, received from 47 states, have yielded important information on state-level renewable energy data, policies, and information needs. The findings, documented in a forthcoming NREL report entitled Status Report on Renewable Energy in the States, are summarized below.

General Findings

- Renewable energy development has occurred only slowly over the last decade with a small number of states accounting for the bulk of development. The development that has occurred has been carried out primarily by non-utility entities.
- Directed state policies have been a key driver in renewables development.
- Those states not currently addressing renewables may need more data and information before they proceed with directed policies.

Specific Findings

- The cost of renewables is an overriding concern.
- Regulators distinguish between "established" and "emerging" renewable energy technologies.
- Specific data is often lacking on state-level renewable energy development.
- Detailed renewable resource assessments have yet to be performed in many states. The report also catalogs renewable energy-specific studies, policies, and information sources for each state.

NREL Contact:
Blair Swezey, (303) 231-7014

Focus On Utility Activities in Renewable Energy

Idaho Power Develops PV Pilot Program

In September, Idaho Power Co. received approval from the PUC for a three-year, PV pilot program to supply selected customers with PV systems for remote applications, including remote residences and vacation homes, stock watering wells, sign lighting, communications and cathodic protection. At an August press conference announcing the program, Idaho Power CEO J.W. Marshall noted that the company "believes that there are many cost-effective applications for solar PV technology and that it gives us a new opportunity to serve our customers with an environmentally responsible, renewable energy source."

The utility has capped the program cost at $5 million with a maximum system cost of $50,000. The PV systems will be designed, owned and maintained by Idaho Power. The customer will pay 5% of the installed system cost up-front and a fixed monthly fee of 1.6% of the system cost, which includes system maintenance.

Idaho Power Contact:
Larry Crowley, (208) 383-2683

Municipal Utility Initiates Solar Program

The Sacramento Municipal Utility District (SMUD) has initiated a program with the objective of installing cost-effective energy and capacity-reducing solar technologies by the year 2000. The components of the program include solar domestic hot water and cooling systems, solar building design, and solar thermal and PV electric generation.

SMUD notes that the solar program, which includes "performance-based" rebates and low-interest financing, provides customers with "reliable access to cost-effective, non-polluting solar applications" while acting as a "catalyst for accelerated development and deployment of solar energy systems."

The solar program is just one component of a larger utility commitment to energy efficiency and renewable energy development. The demand-side solar applications are part of a program to "build" an 800 MW "conservation power plant." In addition, SMUD has committed to the development of 400 MW of renewable and advanced electric projects. The renewable electric block consists of 150 MW of solar thermal electric generation, 50 MW of wind power and 200 MW of PV, biomass, geothermal, and fuel cells.

SMUD Contact:
Donald Osborn, (916) 732-6679

Northwest Utilities Form Consortium to Develop Wind Farm

Idaho Power Co., Portland General Electric Co., PacifiCorp and Puget Power Co. have joined forces with U.S. Windpower in the planned development of a 50 MW wind farm near the city of Richland, Washington.

Dennis Steinberg, PacifiCorp Vice President for Power Systems and Development, stated that "in looking at ways to diversify our resource mix through the least-cost planning process, we have identified wind power as a viable cost-effective resource for our customers." The winds in the Rattlesnake Hills area are particularly strong (20 to 30 mph) in the winter and early spring which, the utilities agree, makes the wind project especially attractive since the wind resource coincides with the period of greatest electricity need in the region.

The project must complete several steps before development can begin, including securing permits, conducting environmental feasibility studies and obtaining regulatory approvals. The group plans to work closely with local communities on environmental and aesthetic concerns.

PacifiCorp Contact:
Greg Duvall, (503) 464-5624

Delmarva Announces PV Project

Delmarva Power and Light has announced plans to install a 15 kW PV array at an existing company office facility. The utility plans to evaluate (1) the impact of PV on the operations and power requirements of the facility and (2) trade-offs involved with different PV connection options (i.e., customer-side versus grid-connected). The results of this study will be used to develop a strategy for the future use of PV in the Delmarva service territory.

Delmarva made the announcement at a recent PV conference, hosted by the utility, at which more than 80 people gathered to discuss utility PV applications.

Delmarva Contact:
Bill Ferguson, (302) 429-3055

NSP Proposes 100 MW Wind Project

Northern States Power Co. (NSP) has announced a proposal to install 100 MW of wind capacity in Minnesota. The full 100 MW could be installed as early as 1997, which would make the state second only to California in installed wind energy capacity.

Prompted by cost improvements exhibited in advanced wind turbine technologies, the success of its three-turbine demonstration project, and recent state legislation exempting wind turbines from state sales tax (SREN, Winter 1992), NSP is developing a more aggressive approach to wind energy development in its service territory.

NSP Contact:
Glynis Hinschberger, (612) 330-7684

NEP Notes Response to "Green RFP"

From its December 1991 solicitation for up to 200,000 MWh of energy from renewable resource technologies (SREN, Winter 1992), New England Power (NEP) has received 41 bids representing over 1.4 million MWh of annual generation from solar, small hydro, advanced wind, landfill methane, biomass and waste-to-energy projects.

NEP notes that "the price for many of the projects received are at or are approaching levels realistic for commercial operation" and that "the incremental value they bring in terms of learning and potential environmental benefits makes some level of commitment worthwhile at this time."

The renewables-only RFP is part of NEP's "no regrets" strategy that "targets low-cost, sensible measures which have the added advantage of favorable environmental impacts."

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